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## **CAMDEBOO MUNICIPALITY GENERAL INFORMATION FOR THE YEAR ENDED 30/06/2009**

### **VISION**

Camdeboo Municipality strives to ensure the development and participation of all its inhabitants within an economically viable and sustainable environment, where equal opportunities are promoted.

Poverty is uprooted and services provided at an affordable cost within a crime free, healthy, environmentally friendly and well managed administration.

### **GRADING OF LOCAL AUTHORITY**

Grade 7

### **AUDITORS**

Auditor General

### **BANKERS**

First National Bank

### **REGISTERED OFFICE**

Church Square	PO Box 71	Tel. (049) 8922121
Graaff-Reinet	Graaff-Reinet	Fax (049) 8924319
6280	6280	

### **MUNICIPAL MANAGER**

M G Langbooi

### **CHIEF FINANCIAL OFFICER**

J Joubert

#### MEMBERS OF THE COUNCIL

Mayor and Speaker	Councillor	D Japhta
Ward 1	Councillor	V G Jacobs
Ward 2	Councillor	A R Knott-Craig
Ward 3	Councillor	K Hoffman
Ward 4	Councillor	C R E Abels
Ward 5	Councillor	I Reid
Ward 6	Councillor	A Booysen

#### Proportional Councillors


ANC	Councillor	D Japhta
ANC	Councillor	M Jacobs

Democratic Alliance	Councillor	M Block
ANC	Councillor	S J Mbotya
Democratic Alliance	Councillor	T J Eksteen

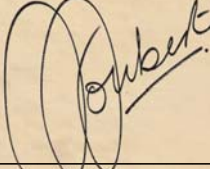
#### CAMDEBOO MUNICIPALITY GENERAL INFORMATION FOR THE YEAR ENDED 30/06/2009

#### APPROVAL OF THE FINANCIAL STATEMENTS

The Annual financial statements set out on pages 1 to 27 were approved by the Municipal Manager/Accounting Officer on 28 August 2009.



Municipal Manager  
(M.G. Langbooi)  
(Accounting Officer)  
28-Aug-09



Chief Finance Officer  
(J Joubert)  
28-Aug-09



## REPORT OF THE ACCOUNTING OFFICER AS AT 30 JUNE 2009

### 1 OPERATING RESULTS

The Camdeboo Municipality represents the towns of Graaff-Reinet, Aberdeen, and Nieu-Bethesda. This set of Financial Statements includes the figures of all three units. Details of the operating results per department, classification and object of expenditure are included in appendices D and E. The overall operating results for the year ended 30 June 2009 are as follows:

INCOME	Actual 2008 R	Actual 2009 R	Variance 2008/2009 %
Opening Surplus	5,715,150	6,653,066	16%
Operating income for the year	70,249,774	80,139,945	14%
	75,964,924	86,793,011	
EXPENDITURE			
Operating expenditure for the year	64,874,580	83,193,656	28%
Appropriations	4,437,278	2,964,953	-33%
Closing surplus	6,653,066	634,402	-90%
	75,964,924	86,793,011	

#### 1.1 Rate and General Services

	Actual 2008 R	Actual 2009 R	Variance 2008/2009 %
Income	40,362,888	42,533,144	5%
Expenditure	37,081,847	49,902,475	35%
Surplus (deficit)	3,281,041	-7,369,331	-325%
Surplus (deficit) as % of total income	8%	-17%	

#### 1.2 Trading Services

The following is a summary of the operating results of the Municipality's Trading services:

##### Electricity Service

	Actual 2008 R	Actual 2009 R	Variance 2008/2009 %
Income	22,127,048	28,256,146	28%
Expenditure	23,035,578	27,169,041	18%
Surplus (deficit)	-908,530	1,087,105	-220%
Surplus (deficit) as % of total income	-4%	4%	

### Water service

The "Free basic service" policy of Government is in place and all consumers received the first six kiloliters free of charge.

This policy is funded out of the council's Equitable share Fund.

In Aberdeen and Nieu-Bethesda all consumers are receiving the first ten kiloliters free of charge.

This is done in conjunction with Council policy of the previous Municipalities.

	Actual 2008 R	Actual 2009 R	Variance 2008/2009 %
Income	7,654,878	9,291,254	21%
Expenditure	4,597,069	5,929,117	29%
Surplus (deficit)	3,057,809	3,362,137	10%
Surplus (deficit) as % of total income	40%	36%	

### Concrete works

	Actual 2008 R	Actual 2009 R	Variance 2008/2009 %
Income	103,575	58,016	-44%
Expenditure	160,086	193,023	21%
Surplus (deficit)	-56,511	-135,007	139%
Surplus (deficit) as % of total income	-55%	-233%	

## 2 CAPITAL EXPENDITURE AND FINANCING

The expenditure on capital items during the year amounted to R21 436 589.

The Capital expenditure is 26.8% more than budgeted for and consists of the following:

	Actual 2009 R	Budget 2009 R	Actual 2008 R
Land and Buildings	297,393	5,281,000	1,831,497
Streets and bridges	6,623,090	4,378,000	4,261,150
Furniture & Fittings	3,154,528	988,000	759,057
Sewerage	2,387,607	125,000	539,104
Vehicles & Machinery	2,024,439	1,350,000	1,301,638
Tools	515,746	100,000	0
Electricity Services	4,745,918	5,160,000	3,363,359
Water Services	1,687,868	3,495,000	3,292,838
	21,436,589	20,877,000	15,348,643

Resources used to finance the capital expenditure were as follows:

	Actual 2009 R	Budget 2009 R	Actual 2008 R
Internal loans	14,270,202	21,044,656	8,508,635
Operating Income			55,358
Reserve funds			
Other	7,166,387	391,932	678,4650
	21,436,589	21,436,589	15,348,643

Capital items, which represent mainly upgrading and maintenance were financed against the surplus account and not against loans.

This will result in savings to the loan charges in the coming years.



External loans outstanding on 30 June 2009 amounted to R171 139 (R171 139 in 2008) as set out in appendix B.

Investments and cash on hand at 30 June 2009 amounted to R 44 041 195 (R41 183 398 in 2008)

More information regarding loans cash on hand and investments are disclosed in the notes 4,10 and 11 and appendix B to the financial statements.

#### 4 FUNDS AND RESERVES

During the year under review the following contributions were made:

Contributions from Operating Account to:

Revolving Fund

597,946

597,946

More information regarding funds and reserves are disclosed in the notes (1 to 3) and appendix A to the financial statements.

#### 5 POST BALANCE SHEET EVENTS

No material post balance sheet events took place during the year under review.

#### 6 INTER AUTHORITY GRANT

An amount of R18 024 839 was received from Government during the 2008/2009 financial year.

An amount of R5 822 345 was used to assist the poor for the 2008/2009 financial year. This scheme will continue for the next financial year.

#### EXPRESSION OF APPRECIATION

I am grateful to the staff of the Finance Department for their loyalty and hard work during the past financial year.

Acknowledgement is given to the Finance staff for a job well done under extremely difficult circumstances.



MUNICIPAL MANAGER (MG LANGBOOI)  
(Accounting Officer)  
Camdeboo Municipality

28.08.2009

Date

## CAMDEBOO MUNICIPALITY

### ACCOUNTING POLICIES FOR THE YEAR ENDED 30/06/2009

#### 1 Basis of presentation

- 1.1 These financial statements have been prepared so as to confirm to the standards laid down by the Institute of Municipal Treasurers and Accountants in its Code of Accounting Practice (1997) and Report on Published Annual Financial Statements (Second edition - January 1996)
- 1.2 The financial statements are prepared on the historical cost basis, adjusted for fixed assets as more fully detailed in Accounting Policy note 3. The accounting policies are consistent with those applied in the previous year, except as otherwise indicated.
- 1.3 The financial statements are prepared on the accrual basis:
  - \* Income is accrued when measurable and available through finance operations. Certain direct income is accrued when received, such as traffic fines and certain entrance fees.
  - \* Expenditure is accrued in the year it is incurred.

#### 2 Consolidation

The balance sheet includes the Rate and General Services, Housing service, Trading services and the different funds, reserves and provisions. All inter departmental charges are set-off against each other, with the exception of assessment rates, refuse removal, electricity and water, which are treated as income and expenditure in the respective departments.

#### 3 Fixed Assets

- 3.1 Fixed assets are stated as historical cost while they are in existence and fit for use and are written off at the end of their estimated life as determined by the CFO.
- 3.2 All net proceeds from the sale of fixed property are credited to the Revolving Fund.
- 3.3 Capital assets are financed from different sources, including external loans, operating income and internal advances. These loans and advances are repaid within the estimated lives of the assets acquired from such loans or advances. Interest on internal advances is charged to the service concerned at the ruling interest rate determined by the Treasurer. All internal loans (advances) are only raised at year end (30 June). No interim interest is charged against services in the year that the internal loans are raised.

#### 4 Inventory

Inventory is valued at cost, determined on the weighted average basis, and reflected in the Balance sheet at historical cost.

#### 5 Funds and reserves

- 5.1 Revolving Fund

The municipal ordinance No. 20 of 1974, Section 75(1), requires a contribution to the fund of not less than seven and one-half per cent of the Rates income, which was levied in respect of the financial year immediately preceding the financial year for which such contributions is required to be made.
- 5.2 Loan Redemption Fund

The half-yearly redemption is paid into the Loan Redemption Fund and invested at a financial institution to enable full repayment of capital at the maturity date of the loan.
- 5.3 Housing Development Fund

This fund is maintained in terms of the Housing Act No.107 of 1997 and all income from housing operations is paid into this account.
- 5.4 Dog Tax Account

This fund is maintained in terms of Ordinance No. 19 of 1978 and all income from Dog licences are paid into this account. A monthly contribution is made out of this fund to the local S.P.C.A. to assist in their operating costs.



**5.5 Parking Area Development Fund**

This fund was established to provide parking area facilities in town to businesses, where needed.

**5.6 Insurance Fund**

A General Insurance fund is maintained to cover unforeseen claims and excess payments that may occur. Once the fund is large enough, contributions could be made to the operating insurance account to soften tariff increases.

**5.7 Reserves**

The Sewerage and Sanitation-, Electricity- and Water Tariff Stabilization reserves are maintained to soften future tariff increases.

Some special funds are held on behalf of the Provincial Department and contains special conditions to the use thereof.

All other reserves as set out in Appendix A are maintained to provide capital in future for replacement of capital charges when new assets are to be purchased. Contribution to these funds are made at the end of the year out of income if the year close off with a sufficient surplus.

**6 Surpluses and deficits**

Any surpluses or deficits arising from the operation of the Electricity and Water services are transferred to Rate and General services.

**7 Investments**

Investments are shown at cost and are invested in terms of the Code of Investment Practice. Investments are also made at registered banking institutions.

**8 Income recognition**

**8.1 Electricity and Water billings**

All meters in Council's juridical area are read and billed monthly.

**8.2 Assessment Rates**

Assessment rates are levied on the total value of land and improvements.

Rebates were granted on State properties in terms of the Rating of State Property Act, (Act 79 of 1984).

Rebates were also granted to owners of property used for agricultural purposes.

## CAMDEBOO MUNICIPALITY

### BALANCE SHEET FOR THE YEAR ENDED AT 30/06/09

	NOTES	2009 R	2008 R
<b>CAPITAL EMPLOYED</b>			
<b>Funds and Reserves</b>		79,942,633	84,916,496
- Statutory funds	1	62,956,745	57,158,706
- Reserves	2	16,985,887	27,757,790
<b>RETAINED INCOME</b>		634,402	6,653,066
		80,577,035	91,569,562
<b>Trust funds</b>	3	939,067	1,261,266
<b>Long-term liabilities</b>	4	171,139	169,217
<b>Consumer deposits: Services</b>	5	1,144,708	1,098,410
		<b>82,831,949</b>	<b>94,098,455</b>
<b>EMPLOYMENT OF CAPITAL</b>			
<b>Fixed assets</b>	6	45,221,522	33,593,064
<b>Longterm debtors</b>	7	0	169,217
<b>Net current assets/(liabilities)</b>		37,610,427	60,336,174
<b>Current assets</b>		51,100,791	68,752,003
- Inventory	8	2,596,355	2,187,787
- Debtors	9	4,463,241	19,838,692
- Bank and Cash	10	9,643,382	5,540,204
- Short-term portion of Long-term debtors			1,922
- Short-term investments	11	34,397,813	41,183,398
<b>Current liabilities</b>		(13,490,364)	(8,415,829)
- Provisions	12	8,144,486	1,515,680
- Creditors	13	5,345,877	6,898,227
- Short-term portion of long-term liabilities			1,922
		<b>82,831,949</b>	<b>94,098,455</b>



**CAMDEBOO MUNICIPALITY**  
**INCOME STATEMENT FOR THE YEAR ENDED 30/06/08**

Actual Income 2008 R	Actual expenditure 2008 R	Surplus/ (deficit) 2008 R		Actual Income 2008 R	Actual expenditure 2008 R	Surplus/ (deficit) 2008 R	Budget Surplus/(deficit) 2008 R
40,362,888	37,081,847	3,281,041	<b>RATES AND GENERAL SERVICES</b>	42,533,144	49,902,475	(7,369,331)	(15,536,284)
33,366,113	26,851,705	6,514,408	<b>Community services</b>	35,012,996	35,713,839	(700,843)	(6,905,110)
203,475	3,533,109	(3,329,634)	<b>Subsidised services</b>	212,534	8,343,050	(8,130,516)	(9,928,862)
6,793,300	6,697,033	96,267	<b>Economic services</b>	7,307,614	5,845,586	1,462,028	1,297,688
1,385		1,385	<b>HOUSING SERVICES</b>	1,385		1,385	1,385
29,885,501	27,792,733	2,092,768	<b>TRADING SERVICES</b>	37,605,416	33,291,181	4,314,235	(3,181,948)
<u>70,249,774</u>	<u>64,874,580</u>	<u>5,375,194</u>	<b>TOTAL</b>	<u>80,139,945</u>	<u>83,193,656</u>	<u>(3,053,711)</u>	<u>(18,716,847)</u>
		<u>(4,437,278)</u>	Appropriations for the year			<u>(2,964,953)</u>	
		937,916	Nett surplus for the year			(6,018,664)	
		5,715,150	Accumulated surplus at the beginning of the year			6,653,066	
		<u>6,653,066</u>	<b>ACCUMULATED SURPLUS AT THE END OF THE YEAR</b>			<u>634,402</u>	
			(Refer to note 14)				

**CAMDEBOO MUNICIPALITY**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 30/06/09**

	NOTES	2009 R	2008 R
<b>CASH (UTILISED)/ RETAINED FROM OPERATING ACTIVITIES</b>			
		19,454,417	20,111,281
Cash generated by operations	15	(21,088,668)	(10,839,377)
Interest earned		6,347,216	5,786,055
(Increase)/decrease in working capital	16	(5,636,007)	(3,218,734)
Less: Interest paid: External Loans		-	(3,632)
Cash (utilised in)/available from operations		(20,377,458)	(8,275,688)
Cash contributions from the public and the state		39,831,875	28,386,969
Nett proceeds on disposal of fixed assets			
<b>CASH RECEIVED IN INVESTING ACTIVITIES</b>			
Capital expenditure during the year		(22,136,824)	(15,348,643)
<b>NET CASH FLOW</b>			
		<b>(2,682,407)</b>	<b>4,762,638</b>
<b>CASH EFFECTS OF FINANCING ACTIVITIES</b>			
Increase/(decrease) in long-term loans (external)	17	-	(58,176)
(Increase)/decrease in cash investments	18	6,785,585	(627,478)
(Increase)/decrease in cash on hand	19	(4,103,178)	(4,076,984)
		<b>2,682,407</b>	<b>(4,762,638)</b>



**CAMDEBOO MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/09**

	2009 R	2008 R
<b>1 STATUTORY FUNDS</b>	62,956,745	57,158,706
	<b>62,956,745</b>	<b>57,158,706</b>
<i>(Refer to Appendix A for more details)</i>		
<b>2 RESERVES</b>	16,985,887	30,552,001
Less: Transferred to Provisions	-	2,794,211
	<b>16,985,887</b>	<b>27,757,790</b>
<i>(Refer to Appendix A for more details)</i>		
<i>(Reserves are not fully cash-backed by and amount of R 906 087)</i>		
<b>3 TRUST FUNDS</b>	939,067	1,261,266
	<b>939,067</b>	<b>1,261,266</b>
<i>(Refer to Appendix A for more details)</i>		
<b>4 LONG-TERM LIABILITIES</b>		
Annuity Loans	171,139	171,139
	<b>171,139</b>	<b>171,139</b>
Less: Short Term portion transferred to Current Liabilities		1,922
	<b>171,139</b>	<b>169,217</b>
<i>(Refer to Appendix B for more details)</i>		
<b>5 CONSUMER DEPOSITS: SERVICES</b>		
Electricity and Water	1,144,708	1,098,410
	<b>1,144,708</b>	<b>1,098,410</b>
<b>6 FIXED ASSETS</b>		
Fixed assets at the beginning of the year	146,561,209	131,212,566
Capital expenditure during the year	21,436,589	15,348,643
Less: Correction of prior period errors	700,235	
Less: Assets written off, transferred or disposed of during the year	-	-
<b>Total fixed assets</b>	<b>167,297,563</b>	<b>146,561,209</b>
Less: Loans redeemed and other capital receipts	<b>122,076,041</b>	<b>112,968,145</b>
<b>Nett fixed assets</b>	<b>45,221,522</b>	<b>33,593,064</b>

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/09**

	2009 R	2008 R
<b>7 LONG-TERM DEBTORS</b>		
Housing Loans	327,736	171,139
	<u>327,736</u>	<u>171,139</u>
Less: Provision for Doubtful Debts	327,736	
Less: Short-term portion transferred to current assets		1,922
	<u>0</u>	<u>169,217</u>
<b>8 INVENTORY</b>		
General	410,066	385,596
Electrical	1,807,554	2,013,420
Water	363,199	205,139
Mechanical Workshop	15,536	15,586
	<u>2,596,355</u>	<u>2,619,741</u>
Less: Obsolete stock transferred to reserves (Appendix A)	-	431,954
	<u>2,596,355</u>	<u>2,187,787</u>
<b>9 DEBTORS</b>		
Assesment Rates	8,518,860	7,907,991
Electricity & Water	8,373,252	6,642,589
Housing	5,449,282	4,784,345
Miscellaneous Debtors	751,129	924,331
Other	638,694	1,226,013
	<u>23,731,218</u>	<u>21,485,269</u>
Less: Provision for bad debts (Appendix A)	19,267,977	1,646,577
	<u>4,463,241</u>	<u>19,838,692</u>
The Working Capital Reserve was discontinued during the year and replaced with an increase in the Provision for bad debts.		
<b>10 BANK AND CASH</b>		
<i>Current Bank Account:</i>		
Cash book balance at beginning of the year	5,536,090	1,459,106
Cash book balance at the end of the year	9,639,180	5,536,090
<i>Plus: Cashfloats</i>	4,202	4,114
	<u>9,643,382</u>	<u>5,540,204</u>
<i>Bankstatement Balance at beginning of the year</i>	7,762,607	1,363,279
<i>Bankstatement Balance at the end of the year</i>	10,419,671	7,762,607
<i>Comprising of:</i>		
<i>First National Bank (Acc 52300007898)</i>		
Opening Balance	5,502,515	1,448,029
Closing Balance	9,617,077	5,502,515
<i>ABSA (Acc 4053048940)</i>		
Opening Balance	33,575	11,077
Closing Balance	22,103	33,575
<b>11 INVESTMENTS</b>		
Short term deposits	28,587,994	38,518,370
Call deposits	5,809,819	2,665,028
	<u>34,397,813</u>	<u>41,183,398</u>
Management's valuation of unlisted investments	34,397,813	41,183,398
No investments have been written off during the year		
No investment have been pledged as security for any funding facilities of the Council		



**CAMDEBOO MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/09**

	2009 R	2008 R
<b>12 PROVISIONS</b>		
Leave Pay Provision	2,030,703	715,680
Provision for Bonuses	997,783	
Provision for the rehabilitation of landfill sites	5,116,000	
Audit Fee Provision (Previous year shown as creditor)	-	800,000
	<b>8,144,486</b>	<b>1,515,680</b>
<b>13 CREDITORS</b>		
Trade Creditors	2,290,229	3,329,360
VAT	1,897,476	1,330,989
Housing	-	344,325
Consumers paid in advance	97,204	546,141
Other	1,060,968	1,347,412
	<b>5,345,877</b>	<b>6,898,227</b>
<b>14 APPROPRIATIONS</b>		
<b>Appropriation account:</b>		
Accumulated surplus at the beginning of the year	6,653,066	5,715,150
Operating (deficit)/surplus for the year	(3,053,711)	5,375,194
	3,599,355	11,090,344
Less: Appropriations for the year:	(2,964,953)	(4,437,278)
Working capital Debtors	(2,802,205)	(2,156,837)
Contr to Provision for Doubtful Debts	2,802,205	
Working Capital Stores reversed	2,619,741	(653,523)
Additional Provision for Audit Fees		(17,451)
Provision for Performance Bonusses		
Leave Fund	(193,652)	(304,744)
Contr to Provision for Leave Pay	193,652	
Contr to Provision for Leave Pay iro prior years	(1,674,846)	
Reversal of Provision for Audit Fees	800,000	
Contr to Accrued Bonuses iro prior years	(837,608)	
Contr to Provision for landfill site rehabilitation iro prior years	(4,868,400)	
Contr to operating account		(2,000,000)
VAT recovered i.r.o. previous years	(73,713)	1,356,028
Adjustments i.r.o. previous year	1,069,874	(660,751)
Accumulated surplus at the end of the year	<b>634,402</b>	<b>6,653,066</b>
<b>Operating account:</b>		
Capital expenditure - Fixed assets	-	55,358
<b>Contributions to:</b>		
- Equitable share		
- Leave reserve/Provision for Leave pay	435,156	6,330
- Provision for accumulated bonuses	160,175	
- Revolving Fund	597,946	563,328
<b>Contributions from:</b>		
- Transport Fund		(500,000)
- Water stab Fund		(300,000)
- Sewerage		(100,000)
- Accumulated Surplus		(2,000,000)
	<b>1,193,277</b>	<b>(2,274,984)</b>

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/09**

	2009 R	2008 R
<b>15 CASH GENERATED BY OPERATIONS</b>		
Surplus for the year	(3,053,711)	5,375,194
- Prior Year Adjustments and other appropriations (note 14)	(2,964,953)	(4,437,278)
Appropriations charged against income	9,619,594	3,640,120
Leave reserve	193,652	311,074
Revolving fund	761,055	563,328
Provision for Audit Cost	(800,000)	800,000
Fixed assets	-	55,358
Transfers from reserves		(900,000)
Working capital transfers	2,825,592	2,810,360
Prior year adjustments	1,114,550	
Leave Pay Provisions	2,030,703	
Contribution Provision Land rehab	5,116,000	
Stores Write-off	(2,619,741)	
Accrued Bonus	997,783	
Capital Charges:	6,213,087	4,958,840
Interest paid to: Internal Funds	1,398,401	1,313,321
External loans		3,632
Redemption of: Internal loans	4,814,686	3,594,309
External loans		47,578
Investment income	(2,626,446)	(1,369,038)
Operating contr from Central and Prov. Govmnt	(20,661,208)	(17,569,673)
Non Operating Expenditure		
- Expenditure charged against funds	(7,668,805)	(2,126,365)
Non Operating Income		
- Income Credited to Funds	19,321,750	688,823
Transfer of Reserves Working capital	(19,267,977)	
	<b>(21,088,668)</b>	<b>(10,839,377)</b>
<b>16 (INCREASE)/DECREASE IN WORKING CAPITAL</b>		
(Increase)/Decrease in inventory	(408,568)	(694,233)
(Increase)/Decrease in Long-term debtors	171,139	147,440
(Increase)/Decrease in Debtors	(3,892,526)	(2,282,224)
Increase/(Decrease) in Creditors, Consumers deposits	(1,506,052)	(389,717)
	<b>(5,636,007)</b>	<b>(3,218,734)</b>
<b>17 INCREASE/(DECREASE) IN LONG-TERM LOANS (EXTERNAL)</b>		
Loans raised		
Loans repaid	-	(58,176)
	-	<b>(58,176)</b>
<b>18 (INCREASE)/DECREASE IN CASH INVESTMENTS</b>		
Investments realised	6,785,585	
Investments made		(627,478)
	<b>6,785,585</b>	<b>(627,478)</b>



**CAMDEBOO MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/09**

	2009 R	2008 R
<b>19 (INCREASE)/DECREASE IN CASH ON HAND</b>		
Cash balance at the beginning of the year	5,540,204	1,459,106
Less: Cash balance at the end of the year	9,643,382	5,536,090
	<b>(4,103,178)</b>	<b>(4,076,984)</b>
<b>20 PROPERTY RATES</b>		
Rateable valuation of land and improvements :		
Land: R 71 243 139		
Improvements: R 583 195 331		
Date of last General Valuation: 1 Nov 2003		
Actual Rateable Income	<b>8,535,300</b>	<b>7,972,614</b>
<b>21 REMUNERATIONS</b>		
<b>21.1 Council</b>		
<b>Mayor's allowance</b>	277,097	249,629
Allowance	265,128	
Cell phone allowance	9,972	
UIF contribution	1,997	
<b>Councillor's allowance</b>	1,799,600	1,402,410
Allowances	1,325,556	
Travel allowances	127,492	
Cell phone allowances	99,720	
UIF, medical aid and pension contributions	246,832	
Councillor's Total Allowances	<b>2,076,697</b>	<b>1,652,039</b>
<b>21.2 Municipal Manager</b>	677,431	587,508
Salary	499,795	
Allowances	87,380	
Contributions to UIF, Medical Aid and Pension Fund	90,256	
<b>21.3 Chief Finance Officer</b>	408,682	529,625
Salary	311,259	
Allowances	96,300	
Contributions to UIF, Medical Aid and Pension Fund	1,123	
<b>21.4 Director: Corporate Services</b>	408,682	
Salary	297,802	
Allowances	66,300	
Contributions to UIF, Medical Aid and Pension Fund	44,580	
<b>21.3 Director: Infrastructure</b>	408,682	
Salary	278,743	
Allowances	62,109	
Contributions to UIF, Medical Aid and Pension Fund	67,830	
	<b>3,806,954</b>	<b>1,117,133</b>
<b>22 FINANCE TRANSACTIONS</b>		
Total external interest earned or paid		
- Interest earned	2,626,446	5,786,055
- Interest paid: External loans	-	3,632
Capital charges debited to operating account:		
<b>Interest:</b>		
- External		3,632
- Internal	1,398,401	1,313,321
<b>Redemption:</b>		
- External	-	47,578
- Internal	4,814,686	3,594,309
	<b>6,213,087</b>	<b>4,958,840</b>

**CAMDEBOO MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/09**

	2009 R	2008 R
<b>23 CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS</b>		
Building Society - bond quarentees		
Alleged claim based on incorrect transformers supplied and other insurance claims against Council	350,000	140,528
<b>24 CAPITAL COMMITMENTS</b>		
Commitments in respect of capital expenditure	700,235	38,684,426
This expenditure will be funded financed from:-		
- Internal Sources	700,235	25,593,497
- External Sources	-	13,090,929
Other sources		
Government Grants		13,090,929
	<b>700,235</b>	<b>38,684,426</b>
<b>25 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE</b>		
<i>Reconciliation of unauthorised expenditure</i>		
Opening balance		
Unauthorised expenditure current year		
Approved by Council or condoned		
Unauthorised expenditure awaiting authorising	-	-
<i>Reconciliation of wastefull expenditure</i>		
Opening balance		
Fruitless and wastefull expenditure current year		
Approved by Council or condoned		
Fruitless and wastefull expenditurre awaiting condonement	-	-
<i>Reconciliation of irregular expenditure</i>		
Opening balance	1,887,838	-
Irregular expenditure current year	242,839	1,887,838
Approved by Council or condoned		
Irregular expenditurre awaiting condonement	<b>2,130,677</b>	<b>1,887,838</b>
<b>26 EMPLOYEE RELATED COST</b>		
Salaries	17,189,479	12,637,641
Wages	8,426,801	7,629,312
Overtime	1,188,778	1,307,361
Group Insurance	418,029	439,262
Housing subsidy	101,627	76,638
Medical Aid Fund	1,644,571	1,377,608
Pension Fund	4,265,745	3,098,526
Travelling allowance	488,952	275,779
Unemployment Insurance Fund	225,615	199,068
Uniforms & Overalls	136,723	104,987
<b>Total</b>	<b>34,086,320</b>	<b>27,146,182</b>



**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/09**

	2009 R	2008 R
<b>27 REVOLVING FUND</b>		
Accumulated Funds	54,198,510	50,147,420
Creditors	22,908	22,908
	<u>54,221,418</u>	<u>50,170,328</u>
Less: External Investments	7,928,875	19,524,731
External loans to institutions		
Staff vehicle loans		
Advances to borrowing Services	45,159,154	35,695,972
Temporary advance from(to) Rate Fund	<u>1,133,389</u>	<u>(5,050,375)</u>
<b>28 ADDITIONAL DISCLOSURES IN TERMS OF MFNA</b>		
<b>28.1 Contribution to SALGA</b>		
Opening Balance		
Council subscription	146,275	109,774
Amount paid current year	(146,275)	(109,774)
Amount paid previous year		
Balance unpaid (included in Creditors)	<u>-</u>	<u>-</u>
<b>28.2 Audit Fees</b>		
Opening Balance	800,000	1,071,554
Current year audit fee		800,000
Amount paid current year		-
Amount paid i.r.o. previous year	(699,172)	(1,071,554)
Total Audit fees outstanding (included in provisions)	<u>100,828</u>	<u>800,000</u>
<b>28.3 PAYE and UIF</b>		
Opening Balance		
Current year payroll deductions	2,736,539	2,288,677
Amount paid current year	(2,736,539)	(2,288,677)
Amount paid i.r.o. previous year		
Balance unpaid (included in Creditors)	<u>-</u>	<u>-</u>
<b>28.4 Pension and Medical aid</b>		
Opening Balance		
Current year payroll deductions	8,197,310	6,483,858
Amount paid current year	(8,197,310)	(6,483,858)
Amount paid i.r.o. previous year		
Balance unpaid (included in Creditors)	<u>-</u>	<u>-</u>

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/09**

	2009 R	2008 R
<b>28.5 Councillors arrear consumer accounts</b>		
The following Councillors had arrear accounts for more than 90 days		
<b>Rates &amp; services</b>		
Clr K Hoffman		1,221
Clr I Reid	493	564
	<u>493</u>	<u>1,785</u>
<b>Overpayment of allowances</b>		
Clr T Eksteen	8,265	14,535
Clr J Jacobs	11,520	19,920
Clr D Japha	11,500	25,471
Clr A Knott-Craig	11,334	18,135
	<u>42,619</u>	<u>78,061</u>

29 **Disclosures on intergovernmental aid and other allocations  
as required by Section 123 of the Municipal Finance and Management Act (No. 56 of 2003)**

Equitable Share allocation received (DORA)	18,024,839
Department of Health allocation clinics and environmental health	2,636,369

**Department of Minerals and Energy**

Grant received for the upgrade of the main substation	
Received during the year	4,700,000
Capital expenditure incurred during the year	497,254

**Department of Housing**

Grant received for town planning projects	
Received during the year	254,850
Operating expenditure incurred during the year	10,668

**Cacadu District Municipality**

Grant received re the Integrated Development Plan	
Received during the year	57,000
Operating expenditure incurred during the year	57,000

**National Treasury**

Grant received re Financial Management	
Received during the year	1,750,000
Capital expenditure incurred during the year	718,183
Operating expenditure incurred during the year	484,575

**European Union and Cacadu Municipality**

Grant received re LED	
Received during the year	414,442
Operating expenditure incurred during the year	414,442

**Department of Local Government**

Grant received re Valuations	
Received during the year	445,000
Operating expenditure incurred during the year	445,000

**Department of Local Government**

Vuna Awards Special Receipt	
Received during the year	600,000
Capital expenditure incurred during the year	119,333
Operating expenditure incurred during the year	281,517

**Department of Local Government**

Grant received re Comprehensive Infrastructure	
Received during the year	200,000
Operating expenditure incurred during the year	32,581

**Department of Local Government**

Grant received re Ward Participation Scheme	
Received during the year	90,000
Operating expenditure incurred during the year	80,811

**CAMDEBOO MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/09**

**Department of Local Government**

Grant received re Roads and Stormwater	
Received during the year	4,263,254
Capital expenditure incurred during the year	2,915,623

The Municipality has complied with the requirements of the grants

- 30 The Camdeboo Municipality did not have any municipal entities under the sole or shared control of the municipality



**CAMDEBOO MUNICIPALITY**

**APPENDIX A**

**STATUTORY FUNDS, RESERVES AND TRUST FUNDS FOR THE YEAR ENDED 30/06/09**

	Balance at 30/06/2008 R	Contr for the year R	Interest received R	Other income & transfers R	Operating expenditure during year R	Capital expenditure during year R	Balance at 30/06/2009 R
<b>STATUTORY FUNDS</b>							
Dog Tax Account	613,076		55,676		18,000		650,752
Housing Development fund	4,515,761		524,520	2,886	2,749,871		2,293,296
Insurance Fund	1,666,146		184,420	4,019,216	292,747		5,577,035
Parking Area Dev. Fund	216,303		19,769	1,080			237,152
Revolving Fund	50,147,420	761,055	3,308,682		10,647		54,190,510
	<b>57,158,706</b>	<b>761,055</b>	<b>4,093,067</b>	<b>4,023,182</b>	<b>3,079,265</b>	<b>0</b>	<b>62,956,745</b>
<b>RESERVES</b>							
Accumulated Leave	1,789,199	79,299	146,053		331,571		1,682,980
Fire Brigade	1,703,437		189,701				1,893,138
Machinery & Office	386,739		43,843				430,582
Municipal Buildings	188,566		21,377				209,943
Special Fund Eastern Cape	5,950,636		383,658	8,711,292	3,159,115	2,315,861	9,570,610
Tariff Stab Sew & San	275,074		25,144				300,218
Tariff Stabilization Electricity	214,445		19,600				234,045
Tariff Stabilization Water	285,193		26,074				311,267
Traffic Control	63,856		5,805				69,661
Transitional Local Grant	464,779						464,779
Transport	144,564		16,400				160,964
Unspent grants*			33,562	6,436,193	661,767	4,150,288	1,657,701
Working Capital - Debtors**	16,465,772	2,802,205		-19,267,977			0
Working Capital - Stores**	2,619,741	23,387		-2,643,128			-0
	<b>30,552,001</b>	<b>2,904,891</b>	<b>911,216</b>	<b>-6,763,620</b>	<b>4,152,452</b>	<b>6,466,149</b>	<b>16,985,887</b>
<b>Less transferred to provisions</b>							
Leave Pay (Note 12)	715,680			-715,680			0
Absolute Stock (Note 8)	431,954			-431,954			0
Bad debts (Note 9)	1,646,577			-1,646,577			0
Grandtotal	<b>27,757,790</b>	<b>2,904,891</b>	<b>911,216</b>	<b>-3,969,409</b>	<b>4,152,452</b>	<b>6,466,149</b>	<b>16,985,887</b>
<b>TRUST FUNDS</b>							
Aloe Project	850,799		77,341		437,087		491,053
Alex Laing Play grounds	309,979		28,331				338,310
Graaff-Reinet Cemetery	16,023		1,476				17,499
Laing Hall Furnisher	20,467		1,871				22,338
Mary Lane Park	50,072		4,608				54,680
R Church Cemetery	13,926		1,261				15,187
	<b>1,261,266</b>	<b>0</b>	<b>114,888</b>	<b>0</b>	<b>437,087</b>	<b>0</b>	<b>939,067</b>

\* Unspent grants - previously capitalised when received and immediately expensed, the opening balance had been included in the Loans Redeemed and Capital Receipts amounting to R 2172939

\*\* Non-cash backed Reserve transferred to Accumulated Surplus

CAMDEBOO MUNICIPALITY

APPENDIX B

EXTERNAL LOANS AND INTERNAL ADVANCES FOR THE YEAR ENDED 30/06/09

	Balance at 30/06/2008 R	Received during the year R	Redeemed or written off during the year R	Balance at 30/06/2009 R
EXTERNAL LOANS				
Annuity Loans	171,139			171,139
	<u>171,139</u>	<u>0</u>	<u>0</u>	<u>171,139</u>

INTERNAL ADVANCES TO BORROWING SERVICES				
	Balance at 30/06/2008 R	Received during the year R	Redeemed or written off during the year R	Balance at 30/06/2009 R
Revolving Fund	35,695,972	14,270,202	4,807,020	45,159,154
Housing Development Fund	70,032		7,665	62,367
	<u>35,766,004</u>	<u>14,270,202</u>	<u>4,814,684</u>	<u>45,221,522</u>